

Corps FY02 Carryover: The Rest of the Story

It has recently been reported that the United States Army Corps of Engineers ended Fiscal Year 2002 with a "surplus" in its Civil Works Program. This money is not surplus. It is carryover into FY 03 and is designated for very specific purposes.

The Civil Works Program carries money over every year. The total amount varies from year to year and is influenced by several factors. Among these are:

- Funds which are obligated but not considered expended until execution of an action such as a meeting a contract provision or delivery of a product.
- Funds which are earmarked against specific projects in the authorizing legislation.
- Variables such as weather, construction delays, study delays and other factors which influence the projected timetables for the expenditure of funds.

One key factor in the FY02 carryover was the mid-year supplemental funding from Congress for the improvement of security at more than 300 key civil works infrastructure facilities around the nation managed by USACE. These security improvements encompass a broad range of physical and electronic measures. The funds are being expended on a priority basis to ensure the most critical needs for improvement are met first.

Fiscal Year 2002 was one of the most successful years ever for the U.S. Army Corps of Engineers in the expenditure of Civil Works, Military Programs and other funds entrusted to the Corps by the nation.

As the Office of Management and Budget recently affirmed to the U.S. Army Corps of Engineers, the true measure of success, and the expectation of the American taxpayer, is not that USACE focus on maximizing the rate at which it spends funds, but rather that USACE focus on maximizing the value of the money given to it in the annual budget, with an emphasis on achieving higher net benefits (economic, environmental, or other) for each dollar invested. Fiscal responsibility requires the organization to expend its budget efficiently to meet its intended purpose, and not wastefully to meet a calendar target.

We believe the U.S. Army Corps of Engineers Civil Works Program accomplished that in FY 02.